

# **Pirate Party Australia Inc.**

## **Financial Statements**

### **30 June 2016**

#### **Statement of the National Council**

In the opinion of the National Council of Pirate Party Australia Incorporated:

- a) the Association is a Tier 2 Association according to the reporting requirements of the NSW Department of Fair Trading and the Associations Incorporation Act 2009.
- b) this financial statement is a true and fair view of the association's affairs, and complies with the requirements of the Associations Incorporation Act 2009 (NSW).

This statement is explicitly not applicable with regards to the requirements of the Australian Electoral Commission's funding disclosure requirements.

#### **Disclaimer**

All figures are extracted from bank statements and party records and are valid as of June 30.

**Income Statement**  
**Pirate Party Australia Inc.**  
**Reporting Period 2015-07-01 to 2016-06-30**

	<b>2015</b>	<b>2016</b>
<b>Income</b>		
Membership & Donations	\$7,682.72	\$10,800.92
Fundraisers/Events	\$0.00	\$21,169.46
Interest	\$149.89	\$87.56
Other income	\$113.10	\$550.00
<b>Total income</b>	<b>\$7,945.71</b>	<b>\$32,607.94</b>
<b>Expenditure</b>		
Bank Fees (includes resident tax)	\$14.00	\$0.00
Credit Card/Merchant Fees	\$168.60	\$35.51
Event Costs	\$1,341.83	\$342.03
Printing & Stationary (not including electoral material)	\$6,105.37	\$11,072.09
Servers/IT	\$799.08	\$2,211.02
AEC Senate Candidate Nomination Fees	\$0.00	\$12,000.00
AEC House of Reps Candidate Nomination Fees	\$0.00	\$2,000.00
Electoral Expenditure (not including AEC fees)	\$0.00	\$500.00
Other expenditure not explicitly defined	\$1,697.18	\$10,520.22
<b>Total Expenditure</b>	<b>\$10,126.06</b>	<b>\$38,680.87</b>
<b>Net Profit</b>	<b>-\$2,180.35</b>	<b>-\$6,072.93</b>

## Pirate Party Australia Inc.

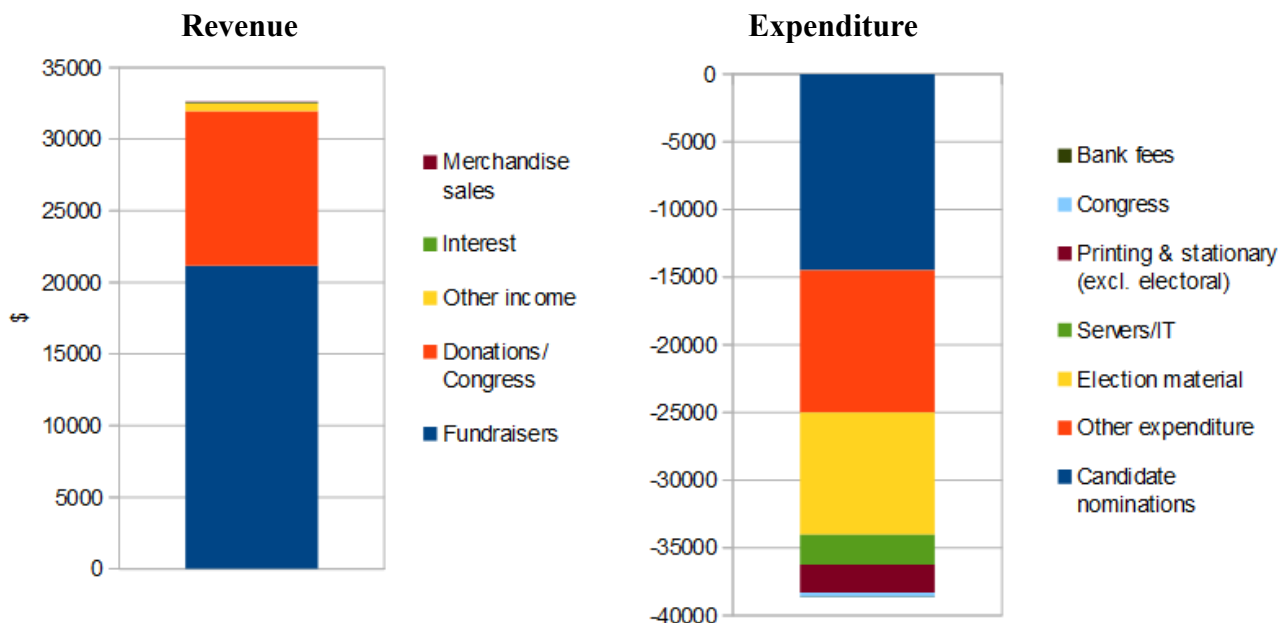
### Balance Sheet

<b>Assets</b>	<b>2015</b>	<b>2016</b>
<i>Current Assets</i>		
Cash on hand	\$8,630.16	\$2,557.23
Term Deposits	\$0.00	\$0.00
Prepayments	\$0.00	\$0.00
<i>Non-current Assets</i>		
Equipment	\$0.00	\$0.00
Less Accumulated Depreciation	\$0.00	\$0.00
<b>Total Assets</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Liabilities</b>		
<b>Total Liabilities</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Net Assets</b>	<b>\$8,630.16</b>	<b>\$2,557.23</b>
Equity		
Retained Earnings	\$10,810.51	\$8,630.16
Current Year Earnings	-\$2,180.35	-\$6,072.93
<b>Total Equity</b>	<b>\$8,630.16</b>	<b>\$2,557.23</b>
<b>Total Liabilities and Equity</b>	<b>\$8,630.16</b>	<b>\$2,557.23</b>

## Treasurer's Statement

Elections are tough on a party's finances. They are highest priority political parties have—the time when all bets are off and we put everything we have into the campaign. Extra charges imposed by the major parties—including a doubling of electoral fees—certainly don't help. But few political parties sit on money through an election campaign regardless of the electoral system.

All things considered, and given where we are in the electoral cycle, our finances are doing OK. We ended the financial year with just over \$2,000 stored up, and we achieved a credible electoral result, brought in new members, spread the word, and took a few more steps on the long journey to build our name. The past year has also seen the Party Party co-develop some powerful new back-end software which will help us build a much more resilient and sustainable financial model.



### Revenue items

The Party earned a total of \$32,607.94 in 2015-16. This income was dominated by fund-raisers and donations.

There were three fund-raisers this year. One was done to generate funds for the ThoughtWorks project (more to come on that); another funded production of our election materials in NSW, Victoria and Queensland, while a third was done to support Fletcher's run in the single-seat bi-election in WA. While we have enough badges and stickers to last a long while, we had to print a substantial number of T-shirts, which donors to our fund-raisers received.

Donors made a difference this year. In fact, it's hard to see how the Party could have run without the aid which our financial supporters provided. These efforts, and especially the monthly donations, make the work of this party possible, and we offer a hand in thanks for all your support.

We got \$500 back from the AEC as a refund for their fee to put our logo on the ballot. There was also a trifling sum of bank interest and one or two merchandise orders. This latter funding source should pick up this year, as we have now created a proper merchandise store. (You can view the

store at: <https://www.etsy.com/au/shop/PiratePartyAustralia?ref=l2-shopheader-name>).

The store has not yet been promoted, and we are still testing the service to make sure it meets our needs. But it's looking good, and Party finances should get a lift from growing merchandise sales over time.

## **Expenditure items**

As might be expected, 2015-16 was a high-spending year for the Pirate Party, with \$38,680 spent on our various activities. The bulk of this went to contest the election, where our candidates ran in NSW, Victoria and Queensland. We also ran in a bi-election in WA.

The AEC candidate nomination fees set us back \$14,000. We also spent \$500 to get our logo on the ballot, though this at least was refundable. This kind of spending is always worthwhile, since the free advertising we get from media coverage and our name/logo on millions of ballot papers is worth many times what nomination fees cost. We did spend on regular advertising too, though—\$9011.60 went out the door to buy corflute signs and how-to-vote cards and ship them to where they were needed.

This is cheap at the price: an election is a priceless opportunity for political parties to build a name and draw new volunteers and members. Our investment, and the hard work of volunteers on the day, meant we were able to staff a sweep of booths and get thousands more people engaged with our policies. Building up a party a slow, difficult job, but there is plenty of anecdotal evidence to suggest we're making progress.

Other printing and stationary costs were also quite high this year, largely because the Party needed to produce enough merchandise to support the three fund-raising drives we ran. IT and administrative costs were also higher this year as we began using professional accountancy software to improve financial transparency and record keeping. Bank fees were lower in 2015-16 as our banking platform has improved.

“Other expenditure” was unusually high in 2015-16. There were two reasons for this: firstly, the Pirate Party was challenged to a CS:GO game by the Circle Jerk Australia reddit group. There was a Pozible drive to create a prize pool for this, and donations reached just over \$600. The money came initially to us on the understanding that it would be donated to the Fred Hollows Foundation in the event that we lost; winning meant we kept the money.

We lost, and our transfer to Fred Hollows is recorded as an expenditure item, albeit a highly unusual one. (It is the Treasury's view that the money should have been donated even if we'd won, but luckily our CS:GO skillz weren't mad enough to put us in that position).

And the rest? \$9,900 was transferred to a firm called ThoughtWorks to fund their work on a game-changing piece of software for the party.

This software, which members of the Party are also working on, is going to be remarkable. It is an all-in-one software suite that makes it easy to run any volunteer organisation or community group. It will put the power of the digital age behind our community sector. It will free up countless volunteer hours to doing really important things. It proves that there is more than one way for political parties to make a difference.

And thanks to the backers and supporters, it was funded without a cost to the Party's bottom line.

This product will change things for us. We have always had an issue with volatile finance. The Party depends too much on constant fund-raising drives to meet urgent needs, which leads to spikes and crashes in our finances and a lot of nail-biting. A more sustainable model was always going to be needed in the long run, and now we have it.

ThoughtWorks software gives us the ability to raise funds through steady membership renewals rather than constant ad-hoc fund-raisers. The new membership form will include an optional sum for a membership fee. All members can select what they feel is best. There is no problem with choosing zero for this! We need our members far more than we need money, and everyone is important. But this provides a way to put the Party onto a more sustainable platform, with a steady source of income. Merchandise sales will help the Party's finances as well. We will be more resilient and financially stable in future.

### **Recommendations for the year ahead**

It is the Treasury's view that the large reforms put in place this year will go a long way to improving the Party's finances. However, there are a few final steps which should be taken.

For one, we should phase out use of Paypal on all occasions except those where it is unavoidable. Paypal inflicted a shambles on the Party last year (see previous Treasurer's report for details), and this year has seen a few aftershocks in the form of unexpected payment glitches and money getting stuck. Ongoing use of Paypal creates a risk, which we should try to minimise as much as possible.

Second, the Party should elect a dedicated fund-raising officer. This officer would be responsible for overseeing the merchandise store and running future fund-raising drives. Most of the time, the duties for this position would be light, especially given our efforts to shift away from the traditional fund-raising drives. However, it will be useful for future National Councils to have a clear line of responsibility for this function. This could be done in the short-term by designating one of the generic Counsellors to this role. In the longer term, a formal position should be defined on the NC.

While these changes would be useful, we should not lose sight of the fact that the primary challenge for the Party this year is not finances, but recruitment. There will be a lot of opportunities for recruitment in the wake of this year's electoral reforms. These reforms will squeeze most small parties out of the Senate and wipe out many of the micros altogether. There will no doubt be people looking for a new political home over the next few years.

We need to look out for recruitment opportunities. Recruitment will allow the Pirate Party to register for state elections, where the quotas are lower and the odds for being elected are vastly greater. Being elected in a state parliament will provide resources, media overage, and dedicated staff and set us up for stronger runs in future Federal campaigns. With three years before another Federal contest, it is the logical place for us to focus.

Recruitment is critical for this, and the new NC (and the Party at large) will need to step up our efforts online and offline to bring in new members. The task of the new Treasury team will be to ensure funds exist for this supremely important purpose, while keeping all other expenditures under continual review in order to keep costs down as much as possible. The new Treasury team will also need to complete the work of migrating the Party to new and more stable funding sources.

## **Conclusion/TLDR**

While our finances are currently in the predictable post-election hangover, the long-term financial footing for the party is stronger than ever before. Our new software will help us shift from the volatile finances of the past few years and put us on a more resilient footing. Electoral reforms and poor organisation will see various other political parties fall apart in the years to come—but we will stick around, and continue to grow, with a financial model that's built to last.